

FISCAL NOTE

SB 3022 - HB 2933

April 11, 2000

SUMMARY OF BILL: Imposes a two-dollar application fee on uninsured or uninsurable applicants enrolling in TennCare when the person's income is above the federal poverty level. The fee is to be returned to anyone denied TennCare eligibility. These persons are required to sign an agreement for a property lien to cover the amount of TennCare premiums due and payable. The lien is to be filed when the person fails to make the premium payment and is to be released when the enrollee brings premium payments up to date.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$401,600 Recurring
\$51,300 One-Time**

Increase State Revenues – Exceeds \$100,000

**Other Fiscal Impact - Increase Federal Expenditures -
\$401,600 Recurring
\$153,900 One-Time**

Assumes:

- A need for 30 staff persons in the Department of Health and associated expenses to file and track liens. A need for six contract positions and associated expenses for Metro Health Departments.
- An increase in revenue from approximately 2,400 applications approved per month with a \$2 fee collected from each (\$57,600). An increase in revenues from property foreclosures for which the amount cannot be determined. The total increase in revenue is estimated to exceed \$100,000
- Approximately one-third of all applicants are children without property

For information purposes, the Department of Health estimates an increase in state expenditures of \$2,957,9000 (recurring) and \$837,900 (one-time) and an increase in Federal expenditures of \$2,957,900 (recurring) and \$837,900 (one-time). The Department estimates a need for 147 new staff to implement the provisions of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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